

STATE OF COLORADO

Roy Romer, Governor
Patti Shwayder, Executive Director

Dedicated to protecting and improving the health and environment of the people of Colorado

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Colorado Department
of Public Health
and Environment

August 21, 1997

Jack Ducsin, Attorney
P.O. Box 1204
Telluride, Colorado 81435

Re: St. Louis Tunnel Mine and Mill Site (near Rico, Colorado)
Colorado Wastewater Discharge Permit #CO-0029793
Dolores County, Colorado

Dear Mr. Ducsin:

This letter is in reference to the St. Louis Tunnel Mine and Mill Site (near Rico, Colorado) and Colorado Wastewater Discharge Permit #CO-0029793. As I understand the situation, Mr. William Baird (Rico Renaissance) and Mr. Stan Foster (Rico Properties) are your clients in this matter.

Per our telephone conversation on Friday, August 15, 1997, the Colorado Department of Public Health & Environment, Water Quality Control Division ("CDPHE-WQCD") needs further information regarding the ownership and responsibility of the facilities covered under the aforementioned permit.

On or before Thursday, August 28, 1997 please submit all the written documentation that you wish the CDPHE-WQCD to consider in our determination of ownership and responsibility of the facilities covered under Colorado Wastewater Discharge Permit #CO-0029793. Documentation should include but not be limited to:

- (1) the St. Louis Settling Pond System;
- (2) Outfall 002, the discharge point from the Pond system to the Dolores River;
- (3) Outfall 001, a previous discharge point from the Blaine Tunnel to Silver Creek which should not exist because in 1990 the permittee constructed a barrier and routed all of this flow to the St. Louis Tunnel;
- (4) the wastewater treatment facility (including all mine drainage and wastewater conveyance systems and structures);
- (5) the St. Louis Tunnel; and
- (6) the Blaine Tunnel.

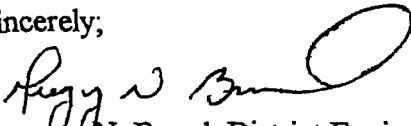
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Please submit your documentation to:

Gregory N. Brand, District Engineer
Colorado Department of Public Health & Environment
P.O. Box 140
Durango, Colorado 81302

If you have any questions regarding this matter, please call me at (970) 247-5702, ext.273
or fax me at (970) 247-9126.

Sincerely,



Gregory N. Brand, District Engineer
Water Quality Control Division - Durango Field Office

cc: William Baird, Rico Renaissance
Stan Foster, Rico Properties
David L. Sell, Attorney, Denver
Rob Cummings, Mayor of Rico
Mitchell Periman, Montezuma County Health Dept.
Richard Bowman, WQCD-Grand Junction
Carla Lenkey, WQCD-Denver